

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Additional Estimates 13 & 15 February 2013

Question: E13-157

OUTCOME 2: Access to Pharmaceutical Services

Topic: Lyrica

Type of Question: Written Question on Notice

Senator: Senator Di Natale

Question:

- a) On 16 Nov 2012 the Govt approved the listing on Lyrica on the PBS, can the Minister advise how long was it took from PBAC approval and when it will be listed on the PBS?
- b) Given the cost was \$447m, how was this high cost, high expenditure drug funded?
- c) Was its costs fully offset from savings, either within the DoHA budget or across Govt?
- d) What were the savings to the budget from the statin review? Where did these savings go?
- e) Were any of the savings from the Statin review used to help offset the cost of funding Lyrica on the PBS?
- f) It would appear in recent times, the next most high cost drug funded was Cetuximab in 11/12 at a cost of \$272m over 5 yrs, and Lyrica will cost \$447m. Can the Department explain the rationale for funding Lyrica over other medications that are just as worthy?

Answer:

- a) The time from the Pharmaceutical Benefits Advisory Committee (PBAC) recommendation to the Pharmaceutical Benefits Scheme (PBS) listing of Lyrica[®] (pregabalin) was twelve months.
- b) and c)
The Government has committed to finding savings across government to fund new priorities and maintain a strong fiscal position.

- d) The price reduction on atorvastatin and rosuvastatin that came into effect on 1 December 2012 will save the Government around \$941 million over four years.

In light of this reduction, the Government decided that it did not need to take any action on the outcomes of the Statins Review.

- e) Decisions about the listing of a medicine, and any Government decisions relating to the PBS, are Budget-in-confidence.
- f) It is a matter for individual companies as for when they apply for a PBS listing. Sponsors are not compelled to apply for a PBS listing.

It is only when a submission has been lodged to the PBAC, that it can be considered by the Committee.

Medicines are listed on the Pharmaceutical Benefits Scheme (PBS) based on the advice of the Pharmaceutical Benefits Advisory Committee (PBAC), an independent, expert advisory body, with its functions defined in the *National Health Act 1953* (the Act). In accordance with the Act, the Government cannot list a medicine on the PBS without a recommendation from the PBAC, which makes recommendations to the Government on a case-by-case basis for each submission considered.

The Government does not intervene in the PBAC decision making process.

All high cost medicines subject to the Memorandum of Understanding with Medicines Australia have been considered by the Cabinet within the agreed six month timeframe.

All minor cost PBS listings continue to be listed within the usual timeframes, generally about four months.